

# Memorandum of Understanding between Auckland Council and Ports of Auckland Limited

## 1. Purpose

This memorandum of understanding sets out the framework agreed by Auckland Council and Ports of Auckland Limited in respect of the governance relationship between the two entities.

## 2. Objectives

The objectives of council and POAL in establishing this memorandum are to ensure that the governance relationship between council and POAL:

- 2.1 enables POAL to fulfil its legislative requirement to operate as a successful business under the Port Companies Act 1988, and that this requirement and the confidence of POAL's stakeholders is not prejudiced by council being the direct owner of POAL's shares;
- 2.2 accords with the legal roles and responsibilities of council and POAL and their respective governing bodies and sound governance practice;
- 2.3 recognises the importance of POAL as a key part of Auckland's infrastructure and a key investment of council, noting the commercial importance of POAL to the Auckland region and nationally;
- 2.4 enhances the ability of council and POAL to engage with one another on planning and strategic matters in accordance with their respective roles and responsibilities;
- 2.5 provides opportunities to reduce council group costs where possible.

## 3. Core Principles

- 3.1 Council and POAL acknowledge POAL's principal statutory objective to operate as a successful business and each will work within their respective roles to assist that objective.
- 3.2 Council and POAL acknowledge that the board of POAL, and the council as shareholder have important roles and responsibilities, and each will respect the role and responsibilities of the other entity and work constructively with each other on that basis.
- 3.3 Any disputes arising between council and POAL in relation to governance matters will be addressed under an agreed process as set out in this memorandum.

## 4. Key Elements

### 4.1 Governance Framework

The governance framework comprises:

*In relation to both council and POAL*

- the Port Companies Act 1988

- the Companies Act 1993
- the constitution of POAL
- good governance practice (e.g. IOD and FMA corporate governance guidance)
- this memorandum of understanding

*In relation to council but not POAL*

- the Local Government Act 2002
- the Local Government (Auckland Council) Act 2009
- the Local Government Official Information and Meetings Act 1987

#### **4.2 Decisions in relation to the operation, business and affairs of POAL**

The parties acknowledge that, subject to applicable laws:

- 4.2.1 all decisions relating to the operation of POAL shall be made by the board or under its authority, in accordance with POAL's Statement of Corporate Intent.
- 4.2.2 the business and affairs of POAL shall be managed by, or under the direction or supervision of the board. This includes, but is not limited to, decisions in respect of:
- business strategy and business performance reporting
  - business and operating policies
  - investment, divestment and joint venture decisions
  - treasury, financing and insurance decisions
  - chief executive appointment, removal and remuneration
  - employment decisions, including recruitment, remuneration and industrial relations
  - procurement decisions
  - services offered and pricing decisions
  - stakeholder engagement and external communications

#### **4.3 POAL's Statement of Corporate Intent**

- 4.3.1 The parties shall observe s 6(3) of the Port Companies Act 1988 in relation to POAL's SCI. The SCI must be completed in accordance with ss 8 – 13 of the act.
- 4.3.2 The parties acknowledge the expectation that POAL's SCI will continue to be developed in a way that presents continuity and consistency with previous SCIs.

#### **4.4 Approvals and conferrals between council and POAL on other matters**

- 4.4.1 POAL shall obtain the approval of council in its capacity as shareholder in respect of:
- any 'major transaction' within the definition of the Companies Act 1993;
  - any other matter for which approval is required by law, including under the relevant legislation or POAL's constitution.
- 4.4.2 The board of POAL, or management on its behalf, shall confer with council before the board of POAL makes any material changes in relation to its infrastructure,

investments or strategic direction from those set out in POAL's business plans (including POAL's 5-Year Business Plan and 30-Year Port Plan) as approved from time to time by the POAL board.

- 4.4.3 Council shall confer with the board of POAL, or management on its behalf, before council makes:
- any material decisions in relation to significant infrastructure or other developments which may have a material impact on POAL's current or future operations or capital requirements;
  - any change to any policies or processes of council which relate to the matters as referred to in this memorandum.

#### **4.5 Board composition and appointments**

The parties note that council is required by s 57 of the Local Government Act 2002 to adopt a policy in relation to the appointment of directors of council organisations. The process for the appointment of directors to POAL's board will be contained in council's Board Appointment and Remuneration Policy, as set out in Annex A of this memorandum.

#### **4.6 Monitoring, liaison, reporting and disclosure of information**

Communications between council and POAL that relate to monitoring, liaison, reporting and the disclosure of information are set out at Annex B of this memorandum. The following elements are applicable:

- 4.6.1 Council's chief executive will establish a function which will act as the principal liaison point with POAL on the matters addressed in this memorandum including governance, monitoring, reporting, and the provision of information between both entities.
- 4.6.2 POAL will establish a reciprocal function within its executive management which will act as the principal liaison point with council on the matters addressed in this memorandum including governance, monitoring, reporting and the provision of information between both entities.
- 4.6.3 The Mayor and the chair of the POAL board, and the chief executives of both entities, respectively, shall have a direct channel of communication and meet formally at least quarterly each year.
- 4.6.4 The operation and effectiveness of the governance relationship between council and POAL (including the operation of this memorandum) shall be reviewed and discussed annually by the chief executives of both entities, and by the Mayor and the chair of the POAL board, respectively.
- 4.6.5 POAL shall provide half yearly and annual reports to council on the matters and within the timeframes specified in the Port Companies Act 1988, and as otherwise agreed between POAL and council. Such reports shall be addressed to the Mayor through the chief executive. Council and POAL shall also agree on arrangements

whereby POAL can provide periodically, and at least annually, a briefing to the Governing Body or appropriate Committee of the Whole of council.

- 4.6.6 POAL shall also provide any such other information to council as required under legislation or as council may reasonably request in its role as shareholder, unless such information is:
- ordinarily considered to be commercially sensitive, and to disclose it would prejudice POAL's legal or commercial position;
  - operational in nature or otherwise outside of the scope of information that may be required by a shareholder for governance purposes.
- 4.6.7 No confidential material shall be disclosed to any person who is not authorised to receive it, whether within or outside of council or POAL.
- 4.6.8 Both council and POAL will operate on a 'no surprises' basis with each other and endeavour to:
- inform one another prior to any significant decisions being made public, or the occurrence of any event that could be reasonably anticipated to have a high level of public interest.
  - provide one another with a copy of any media releases that relate to POAL, or activities of the council group that may have a bearing on POAL, prior to release.
- 4.6.9 The parties note that that any information that falls within this 'no surprises policy' shall be provided in accordance with Annex B of this memorandum, and that in any event the 'no surprises' policy does not require the disclosure of any information where such disclosure would be in breach of any legal or contractual obligation.


## **5. Dispute Resolution**

- 5.1 Council and POAL agree that any differences of view or disputes between them should be addressed frankly and constructively between the parties, and in the first instance, between the executive management of both parties.
- 5.2 If either party identifies a matter that requires escalation it shall be referred to the chief executives of both entities for discussion between them, and then at the request of either chief executive, to the Mayor and chair of the POAL board for discussion.
- 5.3 While nothing in this memorandum restricts the legal rights of either party, both council and POAL note the desire to resolve disputes through discussion, or if necessary through mediation, without recourse to litigation.

## **6. Status of Memorandum of Understanding**

- 6.1 This memorandum is not legally binding, although the parties may agree that protocols or arrangements in respect of any matter will be.
- 6.2 This memorandum, and any action under it, is subject to all applicable laws.
- 6.3 Any variation or termination of this memorandum shall require the approval of both parties.

## Signatories

  
\_\_\_\_\_  
Chair Ports of Auckland Limited

18 JUNE 2018  
Date

  
\_\_\_\_\_  
CEO Ports of Auckland Limited

20 JUNE 2018  
Date

  
\_\_\_\_\_  
CEO Auckland Council

28 JUNE 2018  
Date

## Document Control

Version Number	Change	Date
1.0	Original Executed Version of MOU	28 June 2018
2.0	Annex A - Board Appointment and Remuneration Policy replaced with new version of the policy following decision of the Performance and Appointments Committee PACCC/2023/4	16 May 2023

## Part Four: Ports of Auckland Limited

Part Four of this policy applies to the board of Ports of Auckland Limited (POAL), a council organisation which is a port company under the Port Companies Act 1988.

### 16 Eligibility for Appointment

#### 16.1 Appointment of governing body and local board members

Members of the governing body or local boards may not be appointed to the board of POAL.

#### 16.2 Appointment of Council Staff

Council staff are not eligible to serve as a director of POAL.

Any board member applying for employment with the council should resign from the board immediately following acceptance of an offer of employment.

### 17 Board Competencies, Skills and Knowledge

Board members are expected to meet a number of core competencies as well as relevant industry, technical, or specialist skills required for that board. In addition, Under section 6(2) of the Port Companies Act 1988 (**PCA**), the directors of POAL shall be persons who, in the opinion of the Committee, will assist POAL to achieve its principal objective to operate as a successful business.

#### 17.1 Core Competencies

The core competencies expected on POAL boards are:

- extensive and relevant experience of industries and customers relevant to the operations of the council-controlled organisation
- uphold the principles of the Treaty of Waitangi, readiness to promote improved outcomes for Māori and knowledge of Te Ao Māori and established Māori networks
- demonstrate appropriate accountability and responsiveness to the Governing Body and the public and a commitment to public sector ethos
- demonstrate financial accountability with close review of current and proposed activities to deliver value for money
- commitment to integrate council's climate action plans into the strategies and operations of the council-controlled organisations

- driving appropriate leadership and cultural response to deliver the required outcomes (and/or deliver on targets as identified)
- commitment to collaborate across the council-controlled organisation family
- demonstrate inclusive and adaptive leadership to harness the benefits of diversity

The mix of skills and experience on the board will be taken into account, and consideration given to complementing and reinforcing existing skills and reducing skill gaps where necessary. It is recommended that all appointees to the POAL board should undergo, or have undergone formal governance training, or have the requisite experience. However, the council may waive the corporate governance requirement in order to attract a wider range of board members and to further its diversity policy if these skills and experience are already well represented on the board. The POAL Board are expected to provide director training for directors with limited corporate governance experience.

## 17.2 Board Chair Competencies

In addition to demonstrating the core competencies listed in section 17.1 the following skills and competencies are required for the Chair and will be sought in the succession planning process:

- strong leadership skills
- political acumen
- strong interpersonal and relationship building skills
- sophisticated, analytically based, decision-making skills
- effective communication skills
- integrity and credibility within relevant sectors

## 17.3 Role of the Board Chair and Deputy Chair

The role of the Board Chair is to:

- provide effective leadership and:
  - harness the collective skills of the board and executive team to achieve business objectives and maintain the confidence of the shareholders
  - maximise the contribution of board members in board meetings
- maintain the trust of the council
- maintain a close, but independent, working relationship with the Chief Executive
- lead the board review process
- lead the director induction process
- ensure that there is a succession plan in place for the board
- be the spokesperson for the organisation
- work productively and openly with colleagues to achieve results and resolve problems



- to retain the confidence of the region and build relationships within the region's networks

The role of the Deputy Chair which includes the ability to take on the Chairs role, as and when required, is to:

- provide effective leadership
- work productively and openly with colleagues to achieve results and resolve problems
- to retain the confidence of the region and build relationships within the region's networks

## 18 Term of Appointment

Board members are to serve a maximum of two three-year terms, with the option of further reappointment possible where appropriate. To reflect current national and international best practice, Auckland Council's policy regarding board tenure is as follows:

**Tenure of three years:** Board members shall hold office for a term of up to three years from the date of appointment.

**Expiry of tenure:** upon expiry of that three-year term, the board member retires from the board and, subject to the board members' performance and skills continuing to be relevant to the board may be eligible for reappointment.

**Reappointment:** a board member who is retiring from their first three-year tenure, deemed eligible for reappointment and who wishes to stand, may, at the sole discretion of the council (by ordinary resolution), be reappointed for a second term of up to three years. Any board member reappointed for a second term retires upon expiry of the additional three-year term.

**Tenure exceeding six consecutive years:** for circumstances where there are good reasons for extension, a board member retiring from a second tenure of three years may be reappointed for a further term but the board member's total tenure on the board must not exceed nine years. Each case will be considered on its own merits and is at the sole discretion of the council. The types of circumstances that could require this include, the:

- board member has a particular skill that would be hard to replace
- board has undergone substantial change and stability is needed
- board member has institutional knowledge not held by other directors
- board member is a likely successor as a chair

The council's policy is to stagger appointments so that approximately one-third of each board is rotated each year. Staggering appointments to the boards ensures there is an

appropriate level of institutional knowledge retained on each board, which in turn provides for continuity in the management of POAL.

## **19 Board Appointments**

### **19.1 The Role of the Committee**

The Committee is responsible for the appointment of board members to the POAL board.

In accordance with section 57(2) of the LGA 2002, the Committee will only appoint a person to be a director of a CCO if that person has, in the opinion of Committee, the skills knowledge and experience to:

- guide the organisation given the nature and scope of its activities; and
- contribute to the achievement of the objectives of the organisation

In accordance with section 6(2) of the Port Companies Act 1988, the directors of POAL shall be persons who, in the opinion of the Committee, will assist POAL to achieve its principal objective to operate as a successful business.

### **19.2 The Role of the Selection Panel**

Candidates will be assessed and recommended for appointment by a Selection Panel.

The Selection Panel is responsible for:

- screening the long-list to ensure that candidates have the required core competencies as well as the specific skills and expertise required for the position
- recommending a short-list of candidates, for interview, to the Committee
- interviewing short-listed candidates and assessing them against the required skills, knowledge and experience
- reporting on its assessment of each candidate against the criteria and recommend preferred candidates for appointment to the Committee

### **19.3 The Role of the Chair of the Selection Panel**

The Chair of the Selection Panel plays a key role in overseeing the effective operation of the panel and in addition to the above, the role of the chair is to:

- provide leadership to and ensure the panel carries out its role effectively in accordance with legislative and policy requirements
- liaise with staff to ensure the effective running of board appointment processes
- encourage an environment of collaboration and respectful debate
- chair panel meetings efficiently
- represent the recommendations of the panel to the Committee

The Chair of the Selection Panel will be a member of the governing body of Auckland Council.

### 19.4 Membership of the Selection Panel

The Selection Panel will comprise of:

- Chief Executive of Auckland Council (or representative), (ex officio)
- Mayoral Chief of Staff (or representative)
- Chair of the POALboard (ex officio)
- Governing body members, (up to two) selected from an Enduring Pool (as set out in section 8.5 of this policy)
- IMSB member (nominated by the IMSB)

### 19.6 Reappointments

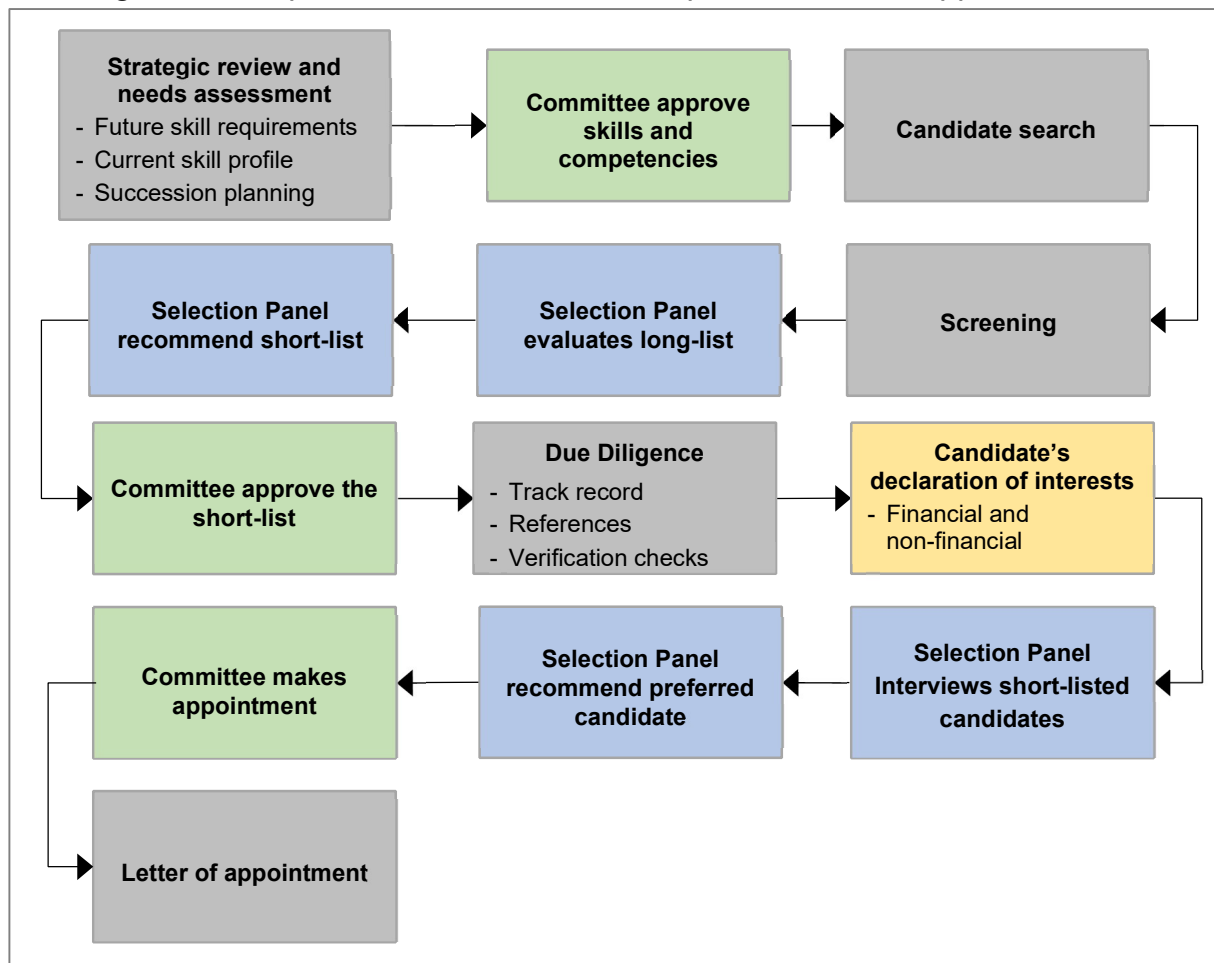
Where a board member's term of appointment has expired and they would like to be considered for reappointment, the Committee may offer a further term following consideration of the performance of the board member and the needs of the board as a whole. Factors to be considered include:

- the views of the board Chair
- whether the current board skill composition is appropriate
- whether any aspects of board performance need to be taken into consideration
- whether the process offers an opportunity for increasing board diversity
- whether the retiring board member is a potential candidate for future Chair, or alternatively whether there is a need to recruit a director as a future successor to the Chair
- alignment of the POAL board with the Auckland Council's ownership objectives for POAL

Board members should not be given any expectation that they will be offered a subsequent term of office.

## 19.7 New Appointments

The diagram below provides an overview of the process for new appointments.



### 19.7.1 Identification of skills, knowledge and experience

Once a vacancy has been established, the Committee will identify the skills, knowledge and experience required for the position with the assistance of CCO Governance and External Partnerships. This may involve discussions with the Chair, consideration of the current composition of the board and a strategic review of future skill requirements.

### 19.7.2 Candidate search

Candidates may be sought through a combination of the following search methods: advertising of the position, executive recruitment search, a review of the council's Register of Directors (see section 8.8 of this policy), nominations from the mayor, governing body and local board members and crown agencies.

A complete list of candidates will be compiled, usually with the assistance of council's executive recruitment consultant.

### 19.7.3 Screening and short-listing

The Selection Panel will screen the list to ensure that the candidates have the required core competencies (see section 17.1) as well as the specific skills and expertise required for the position. Any applicants from the Register of Directors will automatically be

included on the long list. The names of all candidates from the complete list will be included in the report to the Committee.

The Selection Panel, with assistance from a recruitment consultant, will prepare a recommended short list of candidates for consideration by the Committee.

The short list will normally include 3-4 candidates per position and a summary of skills or CVs will be included in the report to the Committee.

The Committee will approve the candidates for interview from the recommended short-list and interviews will be undertaken by the Selection Panel.

#### **19.7.4 The committee may delegate the power to approve the short-list**

In exceptional circumstances where an appointment must be made promptly, the Committee may agree to delegate approval of a short-list of candidates to the chair and deputy chair of the Committee and chair of the Independent Māori Statutory Board or their nominees.

#### **19.7.5 Interviewing and assessment of candidates**

The Selection Panel will interview and assess candidates against the required skills, knowledge and experience and may take into account other factors such as:

- candidates with knowledge of Te Ao Māori and established māori networks
- alignment with the council's ownership objectives for POAL
- board dynamics and stakeholder relationships
- the capacity of candidates to attend regular board meetings and fulfil the other requirements of the directorship
- Chair and Deputy Chair succession planning.

#### **19.7.6 Recommendation to Committee and Committee decision**

The Selection Panel will recommend its preferred candidates to the Committee for approval. The Panel may wish to signal to the Committee other candidates who on interview, have presented with appropriate skills that match or are of benefit to other council organisations for future vacancies within the next twelve-month period.

Recommendations from the Selection Panel should include a discussion of whether any actual or perceived conflicts of interest have been identified. In recommending its preferred candidates to the Committee the Selection Panel needs to be confident that where a potential conflict of interest has been identified, that the conflict can be managed.

Reports recommending appointments and the Committee decision will be considered in a publicly excluded portion of the Committee meeting, to protect the interests and privacy of the candidate. The successful candidate(s) will then be offered a letter of appointment.

Public announcement of the appointment will be made as soon as practicable after the Committee has made its decision and the letter of appointment signed by the candidate.

## 19.9 Consent and Conflicts of Interest

Prior to being interviewed for a position on a board, all candidates will be required to complete a consent form and to declare any relevant interests, so that the potential for a conflict of interest can be assessed. In making appointments to boards, the Committee will take into consideration a candidate's existing directorships, and any other potential conflicts of interest.

In considering any appointment or reappointment where a potential conflict of interest has been identified, the Committee needs to be confident that:

- the candidate will be able to make an effective contribution, even if their interest means they cannot participate in an activity of the organisation that relates to a particular matter; and/or
- measures can be put in place to manage the conflict

Further guidance on conflicts of interest can be found in the constitution and sections 139 to 149 of the Companies Act 1993.

## 19.10 Appointments of Chairs and Deputy Chairs

The Committee will appoint the Chair and Deputy Chair of the POAL board, taking into account the experience and skills of the existing board. The appointments will be made in accordance with section 19.11 of this policy.

## 19.11 Chair Succession Planning

The purpose of succession planning is to provide for smooth transition of leadership in the event of a planned or unexpected retirement of an incumbent Chair. A person appointed as Chair in their second term may be appointed for a further three-year term as Chair, however their tenure as Chair must not exceed six years. The Committee will generally consider the need for a potential successor as they make each board member appointment.

Although it is the role of the Committee to appoint the Chair and Deputy Chair, it is expected that the board Chair will identify potential successors or signal to the council if there are no candidates for future Chair.

## 19.12 Removal of Board Members

Board members hold office at the pleasure of the council and may be removed at any time by council resolution.

Without limiting the right of the council, the following are likely reasons for council to remove a board member, where that board member:

- is regularly absent from board meetings without good justification
- no longer has the confidence of the board or the council

- has breached ethical standards and this reflects badly on the board and/or Council
- does not act in the best interests of the company
- breaches the confidence of the board in any way, including speaking publicly on board issues without the authority of the board
- does not act in accordance with the principles of collective responsibility
- is now disqualified from being appointed or holding office as a director of a company under section 151(2) of the Companies Act 1993.

Where the board has concerns regarding the behaviour of one of its members it should be considered by the board in the first instance and, where necessary, the board may recommend the removal of the board member to the council.

Auckland Council will not make any payment by way of compensation to board members who have been removed from boards.

## **20 Remuneration**

### **20.1 Remuneration benchmarking**

Within four months of an election, or such other period as the council and the board agree, the board will advise the Committee as to the total remuneration the board recommends be payable to all board members for the period that is the subject of the recommendation. The advice will be based on a remuneration benchmarking exercise undertaken by the board in conjunction with an external consultancy.

### **20.2 Approval of remuneration**

The total remuneration of board members for that period will then be determined by the Committee. That amount shall be the amount of the monetary sum payable to all the board members to be approved for that period, by council as shareholder in accordance with the constitution of POAL. The board acting under the constitution of POAL will then determine the amount of remuneration payable to each board member.

## **21 Board Review**

### **21.1 Board Review**

Each year the chair of the board shall provide the Committee with a report by the board summarising the annual review of its performance. It is noted that every second year this review is conducted for the board by an external provider with experience in undertaking such reviews.

## Annex B – Monitoring, Liaison, Reporting and Disclosure of Information – Communication Schedule

### Part One – Specific matters

Aspect	Mandate	Relevant Dates	Points of Contact
<b>1. Statement of Corporate Intent (SCI)</b> - Prepared annually for FY plus two following FYs - Confidential until made public	Port Companies Act 1988	- Draft issued by POAL by 30 June - Council comments provided by 31 July - Final issued by POAL by 31 August	- SCI issued to CCO Governance team <sup>1</sup> - SCI reviewed by Finance and Performance Committee
<b>2. Annual Shareholder Meeting</b> - Covers financial performance of POAL, governance, strategic and topical issues - Formal shareholder resolutions - Confidential	SCI	- Aligned with CCO annual shareholder meeting process	- CCO Governance team and POAL Management to confer on arrangements - Presentation by POAL officers to Finance and Performance Committee
<b>4. Annual Report</b> - Performance commentary - Income statement - Balance sheet - Cash flow statement - Statement of changes in equity - Notes to the financial statements - Performance against the SCI KPTs - Salary band table - Auditor's report - Mix of public and confidential	Port Companies Act 1988	- Within 3 months of the end of the financial year (by 30 September)	- Distributed by POAL Management to Financial Planning and Financial Control
<b>3. Half Yearly Reports</b> - Performance commentary - Income statement - Balance sheet - Cash flow statement - Statement of changes in equity - Notes to the financial statements - Performance against SCI KPTs - Mix of public and confidential	Port Companies Act 1988	- Within 7 weeks of the end of the first half of year (by 18 February)	- Distributed by POAL Management team to Financial Planning and Financial Control
<b>5. Quarterly Reports</b> <i>New format to be agreed</i> - Financial update showing progress against budget - Progress towards SCI KPTs - Commentary on progress on key issues affecting	SCI	- Within 5 weeks of the end of the quarter	- Distributed by POAL Management to Financial Planning

<sup>1</sup> Auckland Council Council-controlled Organisation Governance and External Partnerships team



<b>Aspect</b>	<b>Mandate</b>	<b>Relevant Dates</b>	<b>Points of Contact</b>
<ul style="list-style-type: none"> <li>or likely to affect business</li> <li>- Significant events during the quarter</li> <li>- Confidential</li> </ul>			
<b>6. POAL letter of representation and going concern email</b>	Council requirement	- As per half year and full year end timetable	<ul style="list-style-type: none"> <li>- Letter signed by POAL CEO and CFO</li> <li>- Emailed by POAL Management to Financial Planning</li> </ul>
<b>7. Financial Reporting Pack</b> - As per current and future agreed formats - Confidential	Council requirement	- 2 weeks after end of each quarter	<ul style="list-style-type: none"> <li>- Provided by POAL Management to Financial Control</li> </ul>
<b>8. Long-term Plan (10 years) / Annual Budget</b> (i) Early awareness of any material financial matters that may impact the future budgets. In a LTP year, a draft 10 year and 30 year budget may be required (ii) 10-year financial plan (will include 30 years in LTP year) higher level than the quarterly financial pack. Will include year-end forecast position (iii) More detailed budget for upcoming year and will be phased - Confidential (public disclosures will be aggregated to maintain commercial sensitivity unless publicly available elsewhere)	Council requirement	<ul style="list-style-type: none"> <li>- October/November: Early awareness (i)</li> <li>- February: 10 year financial plan (ii)</li> <li>- June: Detailed budget (iii)</li> </ul>	<ul style="list-style-type: none"> <li>- Provided by POAL Management to Financial Planning</li> </ul>
<b>9. Inter-entity transactions (within council group)</b> - Confidential	Council requirement	- Quarterly	<ul style="list-style-type: none"> <li>- Detail of transactions provided by POAL to Financial Control</li> </ul>
<b>10. Register of accounting policies</b> - Not confidential	Council requirement	- Twice a year	<ul style="list-style-type: none"> <li>- Register provided by POAL Management to Financial Control</li> </ul>
<b>11. Any material acquisitions, disposals or other changes by POAL which affect council's accounting or financial reporting treatment or obligations in relation to POAL</b> - Confidential	Council requirement	- When POAL decision making is being progressed	<ul style="list-style-type: none"> <li>- POAL Finance will confer with Financial Planning on any impact on council's accounting and reporting requirements</li> </ul>
<b>12. Annual tax return</b>	IRD requirement	- Around October	<ul style="list-style-type: none"> <li>- Tax return data provided by POAL's Finance team to Financial Control</li> </ul>
<b>13. Annual tax subvention payment</b> - Council, Watercare and POAL agree the amount of tax subvention payment for budgeting purposes	Council group requirement	- February (to align with Annual Budget process)	<ul style="list-style-type: none"> <li>- Respective council, POAL and Watercare staff</li> </ul>
<b>14. Other shareholder approvals</b>	<ul style="list-style-type: none"> <li>- Companies Act 1993</li> <li>- Port Companies Act 1988</li> <li>- POAL constitution</li> <li>- any other relevant legislation</li> </ul>	- As required	<ul style="list-style-type: none"> <li>- POAL Management to liaise with CCO Governance</li> </ul>

<b>Aspect</b>	<b>Mandate</b>	<b>Relevant Dates</b>	<b>Points of Contact</b>
<b>15. Council's 'continuous disclosure' and other obligations in relation to its issued securities</b>	- Council's legal, contractual and NZX obligations for its issued securities	- As required	- Financial Control to advise POAL Management of materiality thresholds, information and certification requirements and time frames - POAL Management team to notify Financial Control accordingly
<b>16. One-off public and 'no-surprises' issues, including media releases</b> Each party to endeavour to: - inform one another prior to any significant decisions being made public or the occurrence of any event that could reasonably be anticipated to have a high level of public interest - provide each other with copy of any media releases relating to or which may have a bearing on POAL prior to publication - Confidential	MOU	- As required	- Information provided by POAL Communications Team to Mayoral Office and Communications Team and vice versa
<b>17. Any material changes by POAL in relation to any acquisition of shares or investment in joint venture, significant asset or investment disposal, or any proposed capital expenditure not previously advised</b> - Confidential	SCI/MOU	- Conferral as per SCI/MOU requirements	- Financial Control, with conferral to Financial Planning on any impact on council's accounting and reporting requirements.
<b>18. Any material decisions by Auckland Council in relation to:</b> - significant infrastructure or other developments which may have a material impact on POAL's current or future operations or capital requirements - any change to any policies or processes of Council which relate to matters referred to in MOU	MOU	- Prior to decisions being made	- CCO Governance to confer with POAL Management

## Part Two – Other information requests made by Auckland Council to POAL

- Any request by council for information must be made to POAL Management by the CCO Governance team. CCO Governance will review any request originating within council and consider its appropriateness before deciding whether to send it to POAL Management. A request must be in writing, must include from whom in council the request has come from (name and title), the reason for the request and its urgency (including any deadlines) and be sent to a specified POAL email inbox. Urgent requests should also be brought to POAL's attention with a telephone call.
- Information requests made by council but not from the CCO Governance team will not be answered but will be referred to the CCO Governance team.
- Information requests received by POAL will be reviewed for adherence to the memorandum of understanding principles before a response is made. If the information request is denied then a reason will be provided (e.g. if such information requested is commercially sensitive).
- POAL will make reasonable efforts to provide a timely response, based on the urgency of the request.
- POAL will note whether the information is confidential or not, and any terms that are attached to its release.
- Any confidential information held by the CCO Governance team will be managed by that team with respect to further distribution within council. The CCO Governance team will escalate any matter to the chief executive, if required.